

STATE OF COLORADO

DEPARTMENT OF HEALTH CARE POLICY & FINANCING

1570 Grant Street
Denver, CO 80203-1818
(303) 866-2993
(303) 866-4411 FAX
(303) 866-3883 TTY



Bill Owens
Governor

Stephen C. Tool
Executive Director

FOR IMMEDIATE RELEASE

Wednesday, July 19, 2006

CONTACT

Ginny Brown
Communications Manager
303-815-0652 (cell)

TRANSITION PLAN FOR COLORADO ACCESS

DENVER-The Colorado Department of Health Care Policy and Financing (Department) received a letter, late yesterday morning, from Colorado Access that it had decided not to renew its Medicaid physical health contract with the Department, which expires August 31st, 2006. "This was the first time the Department was made aware of the decision by Colorado Access," said Barbara Prehmus, Director of the Department's Medical Assistance Office.

In May 2006, the Department illustrated its commitment to managed care by implementing passive enrollment, where Medicaid clients are enrolled into one of the two HMO's unless they select another option. During this time, Colorado Access' caseload grew by 67%, from 38,945 in April to 64,979 in July.

"In light of the recent decision by Colorado Access, department staff is already working to develop a transition plan with the agency. The plan will ensure that clients with care already approved by Colorado Access receive such care, even if it is after August 31st. Because of the traditional providers in the Colorado Access network, most clients will experience a seamless transition into fee-for-service and the Department

"The mission of the Department of Health Care Policy & Financing is to purchase cost-effective health care for qualified, low-income Coloradans."

<http://www.chcpf.state.co.us>

will work to minimize the impact of the transition for clients regarding access to specialty care,” said Prehmus. The Department will be sending letters to all Colorado Access clients as well as clients who have received letters that may be enrolled for the month of August. The Department will not auto-enroll any clients into Colorado Access for August.

The Department will be meeting with the Division of Insurance to discuss the plan for Colorado Access to continue to participate in the Children’s Basic Health Plan and as a Behavioral Health Organization. The Department and Colorado Access have been working with the Division of Insurance for approximately one year to assess Colorado Access’ financial longevity.

Lisa Esgar, Director of Operations and Finance and Acting Executive Director for the Department, commented that, “Colorado Access’ frustration by a proposed 15% payment decrease is understandable, but it is important to note that the rate decrease is a result of a statutorily-required practice called, ‘rebasing.’ Rebasing is required every three years. For each of the two years prior to FY 06-07, the rate had been trending upwards. However, since Medicaid HMO’s are required to be paid 95% of fee-for-service, this year’s rebasing analysis showed that the prior three-year trends had been too high. Therefore, the 15% decrease acts as a normalization of prior year rates.”

###